	COMMITTEE/SUBCOMMITTEE ACTION ADOPTED (Y/N)				
	ADOPTED AS AMENDED (Y/N)				
	ADOPTED W/O OBJECTION (Y/N)				
	FAILED TO ADOPT (Y/N)				
	WITHDRAWN (Y/N)				
	OTHER				
1	Committee/Subcommittee hearing bill: Civil Justice & Property				
2	Rights Subcommittee				
3	Representative Shoaf offered the following:				
4					
5	Amendment (with title amendment)				
6	Remove lines 1973-2309 and insert:				
7	amended, paragraph (c) of subsection (2), paragraph (c) of				
8	subsection (5), paragraphs (c) and (d) of subsection (6), and				
9	paragraphs (b), (d), (g), (k), and (l) of subsection (10) are				
10	amended, and a new paragraph (1) is added to subsection (4) of				
11	that section, to read:				
12	720.303 Association powers and duties; meetings of board;				
13	official records; budgets; financial reporting; association				
14	funds; recalls.—				
15	(2) BOARD MEETINGS.—				
16	(c) The bylaws shall provide the following for giving				

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notice to parcel owners and members of all board meetings and, if they do not do so, shall be deemed to include the following:

Notices of all board meetings must be posted in a conspicuous place in the community at least 48 hours in advance of a meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place in the community, notice of each board meeting must be mailed or delivered to each member at least 7 days before the meeting, except in an emergency. Notwithstanding this general notice requirement, for communities with more than 100 members, the association bylaws may provide for a reasonable alternative to posting or mailing of notice for each board meeting, including publication of notice, provision of a schedule of board meetings, or the conspicuous posting and repeated broadcasting of the notice on a closed-circuit cable television system serving the homeowners' association. However, if broadcast notice is used in lieu of a notice posted physically in the community, the notice must be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. $\underline{\text{In}}$ addition to any of the authorized means of providing notice of a meeting of the board, the association may, by rule, adopt a

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65 66 procedure for conspicuously posting the meeting notice and the agenda on the association's website or an application that can be downloaded on a mobile device for at least the minimum period of time for which a notice of a meeting is also required to be physically posted on the association property. Any rule adopted must, in addition to other matters, include a requirement that the association send an electronic notice to members whose email addresses are included in the association's official records in the same manner as is required for a notice of a meeting of the members. Such notice must include a hyperlink to the website or such mobile application on which the meeting notice is posted. The association may provide notice by electronic transmission in a manner authorized by law for meetings of the board of directors, committee meetings requiring notice under this section, and annual and special meetings of the members to any member who has provided a facsimile number or e-mail address to the association to be used for such purposes; however, a member must consent in writing to receiving notice by electronic transmission.

2. An assessment may not be levied at a board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessments. Written notice of any meeting at which special assessments will be considered or at which amendments to rules regarding parcel use will be considered must be mailed,

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delivered, or electronically transmitted to the members and parcel owners and posted conspicuously on the property or broadcast on closed-circuit cable television not less than 14 days before the meeting.

- 3. Directors may not vote by proxy or by secret ballot at board meetings, except that secret ballots may be used in the election of officers. This subsection also applies to the meetings of any committee or other similar body, when a final decision will be made regarding the expenditure of association funds, and to any body vested with the power to approve or disapprove architectural decisions with respect to a specific parcel of residential property owned by a member of the community.
- (4) OFFICIAL RECORDS.—The association shall maintain each of the following items, when applicable, which constitute the official records of the association:
- (1) Ballots, sign-in sheets, voting proxies, and all other papers and electronic records relating to voting by parcel owners, which must be maintained for at least 1 year after the date of the election, vote, or meeting.
- $\underline{\text{(m)}}$ (1) All other written records of the association not specifically included in <u>this subsection</u> the foregoing which are related to the operation of the association.
- (5) INSPECTION AND COPYING OF RECORDS.—The official records shall be maintained within the state for at least 7

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years and shall be made available to a parcel owner for inspection or photocopying within 45 miles of the community or within the county in which the association is located within 10 business days after receipt by the board or its designee of a written request. This subsection may be complied with by having a copy of the official records available for inspection or copying in the community or, at the option of the association, by making the records available to a parcel owner electronically via the Internet or by allowing the records to be viewed in electronic format on a computer screen and printed upon request. If the association has a photocopy machine available where the records are maintained, it must provide parcel owners with copies on request during the inspection if the entire request is limited to no more than 25 pages. An association shall allow a member or his or her authorized representative to use a portable device, including a smartphone, tablet, portable scanner, or any other technology capable of scanning or taking photographs, to make an electronic copy of the official records in lieu of the association's providing the member or his or her authorized representative with a copy of such records. The association may not charge a fee to a member or his or her authorized representative for the use of a portable device.

(c) The association may adopt reasonable written rules governing the frequency, time, location, notice, records to be inspected, and manner of inspections, but may not require a

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parcel owner to demonstrate any proper purpose for the
inspection, state any reason for the inspection, or limit a
parcel owner's right to inspect records to less than one 8-hour
business day per month. The association may impose fees to cover
the costs of providing copies of the official records, including
the costs of copying and the costs required for personnel to
retrieve and copy the records if the time spent retrieving and
copying the records exceeds one-half hour and if the personnel
costs do not exceed \$20 per hour. Personnel costs may not be
charged for records requests that result in the copying of 25 or
fewer pages. The association may charge up to 25 cents per page
for copies made on the association's photocopier. If the
association does not have a photocopy machine available where
the records are kept, or if the records requested to be copied
exceed 25 pages in length, the association may have copies made
by an outside duplicating service and may charge the actual cost
of copying, as supported by the vendor invoice. The association
shall maintain an adequate number of copies of the recorded
governing documents, to ensure their availability to members and
prospective members. Notwithstanding this paragraph, the
following records are not accessible to members or parcel
owners:

1. Any record protected by the lawyer-client privilege as described in s. 90.502 and any record protected by the work-product privilege, including, but not limited to, a record

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prepared by an association attorney or prepared at the attorney's express direction which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the association and which was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings or which was prepared in anticipation of such litigation or proceedings until the conclusion of the litigation or proceedings.

- 2. Information obtained by an association in connection with the approval of the lease, sale, or other transfer of a parcel.
- 3. Information an association obtains in a gated community in connection with guests' visits to parcel owners or community residents.
- 4.3. Personnel records of association or management company employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this subparagraph, the term "personnel records" does not include written employment agreements with an association or management company employee or budgetary or financial records that indicate the compensation paid to an association or management company employee.
- 5.4. Medical records of parcel owners or community residents.

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6.5. Social security numbers, driver license numbers,
credit card numbers, electronic mailing addresses, telephone
numbers, facsimile numbers, emergency contact information, any
addresses for a parcel owner other than as provided for
association notice requirements, and other personal identifying
information of any person, excluding the person's name, parcel
designation, mailing address, and property address.
Notwithstanding the restrictions in this subparagraph, an
association may print and distribute to parcel owners a
directory containing the name, parcel address, and all telephone
numbers of each parcel owner. However, an owner may exclude his
or her telephone numbers from the directory by so requesting in
writing to the association. An owner may consent in writing to
the disclosure of other contact information described in this
subparagraph. The association is not liable for the disclosure
of information that is protected under this subparagraph if the
information is included in an official record of the association
and is voluntarily provided by an owner and not requested by the
association.

- 7.6. Any electronic security measure that is used by the association to safeguard data, including passwords.
- 8.7. The software and operating system used by the association which allows the manipulation of data, even if the owner owns a copy of the same software used by the association. The data is part of the official records of the association.

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191	(6) BUDGETS
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(c)1. If the budget of the association does not provide for reserve accounts <u>under pursuant to</u> paragraph (d), or the <u>declaration of covenants</u>, <u>articles</u>, or <u>bylaws do not obligate</u> the <u>developer to create reserves</u>, and the association is responsible for the repair and maintenance of capital improvements that may result in a special assessment if reserves are not provided <u>or not fully funded</u>, each financial report for the preceding fiscal year required by subsection (7) must contain the following statement in conspicuous type:

THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS REGARDING THOSE ITEMS. OWNERS MAY ELECT TO PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS UNDER PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A MEETING OR BY WRITTEN CONSENT.

2. If the budget of the association does provide for funding accounts for deferred expenditures, including, but not limited to, funds for capital expenditures and deferred maintenance, but such accounts are not created or established under pursuant to paragraph (d), each financial report for the preceding fiscal year required under subsection (7) must also

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contain the following statement in conspicuous type:
THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY
DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES
AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED
IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED
TO PROVIDE FOR RESERVE ACCOUNTS <u>UNDER PURSUANT TO</u> SECTION
720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE
RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR
ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

(d) An association is deemed to have provided for reserve accounts if reserve accounts have been initially established by the developer or if the membership of the association affirmatively elects to provide for reserves. If reserve accounts are established by the developer, the budget must designate the components for which the reserve accounts may be used. If reserve accounts are not initially provided by the developer, the membership of the association may elect to do so upon the affirmative approval of a majority of the total voting interests of the association. Such approval may be obtained by vote of the members at a duly called meeting of the membership or by the written consent of a majority of the total voting interests of the association. The approval action of the membership must state that reserve accounts shall be provided for in the budget and must designate the components for which the reserve accounts are to be established. Upon approval by the

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membership, the board of directors shall include the required reserve accounts in the budget in the next fiscal year following the approval and each year thereafter. Once established as provided in this subsection, the reserve accounts must be funded or maintained or have their funding waived in the manner provided in paragraph (f).

- (10) RECALL OF DIRECTORS.
- (b)1. Board directors may be recalled by an agreement in writing or by written ballot without a membership meeting. The agreement in writing or the written ballots, or a copy thereof, shall be served on the association by certified mail or by personal service in the manner authorized by chapter 48 and the Florida Rules of Civil Procedure.
- 2. The board shall duly notice and hold a meeting of the board within 5 full business days after receipt of the agreement in writing or written ballots. At the meeting, the board shall either certify the written ballots or written agreement to recall a director or directors of the board, in which case such director or directors shall be recalled effective immediately and shall turn over to the board within 5 full business days any and all records and property of the association in their possession, or proceed as described in paragraph (d).
- 3. When it is determined by the department pursuant to binding arbitration proceedings or the court in an action filed in a court of competent jurisdiction that an initial recall

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effort was defective, written recall agreements or written ballots used in the first recall effort and not found to be defective may be reused in one subsequent recall effort.

However, in no event is a written agreement or written ballot valid for more than 120 days after it has been signed by the member.

- 4. Any rescission or revocation of a member's written recall ballot or agreement must be in writing and, in order to be effective, must be delivered to the association before the association is served with the written recall agreements or ballots.
- 5. The agreement in writing or ballot shall list at least as many possible replacement directors as there are directors subject to the recall, when at least a majority of the board is sought to be recalled; the person executing the recall instrument may vote for as many replacement candidates as there are directors subject to the recall.
- (d) If the board determines not to certify the written agreement or written ballots to recall a director or directors of the board or does not certify the recall by a vote at a meeting, the board shall, within 5 full business days after the meeting, file an action with a court of competent jurisdiction or file with the department a petition for binding arbitration under pursuant to the applicable procedures in ss. 718.112(2)(j) and 718.1255 and the rules adopted thereunder. For the purposes

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of this section, the members who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration or in a court action. If the arbitrator or court certifies the recall as to any director or directors of the board, the recall will be effective upon the final order of the court or the mailing of the final order of arbitration to the association. The director or directors so recalled shall deliver to the board any and all records of the association in their possession within 5 full business days after the effective date of the recall.

- required meeting or fails to file the required petition or action, the parcel unit owner representative may file a petition or a court action under pursuant to s. 718.1255 challenging the board's failure to act. The petition or action must be filed within 60 days after the expiration of the applicable 5-full-business-day period. The review of a petition or action under this paragraph is limited to the sufficiency of service on the board and the facial validity of the written agreement or ballots filed.
- (k) A board member who has been recalled may file <u>an</u> <u>action with a court of competent jurisdiction or</u> a petition <u>under pursuant to</u> ss. 718.112(2)(j) and 718.1255 and the rules adopted challenging the validity of the recall. The petition <u>or action</u> must be filed within 60 days after the recall is deemed

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certified. The association and the <u>parcel</u> unit owner representative shall be named as respondents.

(1) The division or a court of competent jurisdiction may not accept for filing a recall petition or action, whether filed under pursuant to paragraph (b), paragraph (c), paragraph (g), or paragraph (k) and regardless of whether the recall was certified, when there are 60 or fewer days until the scheduled reelection of the board member sought to be recalled or when 60 or fewer days have not elapsed since the election of the board member sought to be recalled.

Section 22. Subsection (2) of section 720.305, Florida Statutes, is amended to read:

720.305 Obligations of members; remedies at law or in equity; levy of fines and suspension of use rights.—

(2) An The association may levy reasonable fines. A fine may not exceed \$100 per violation against any member or any member's tenant, guest, or invitee for the failure of the owner of the parcel or its occupant, licensee, or invitee to comply with any provision of the declaration, the association bylaws, or reasonable rules of the association unless otherwise provided in the governing documents. A fine may be levied by the board for each day of a continuing violation, with a single notice and opportunity for hearing, except that the fine may not exceed \$1,000 in the aggregate unless otherwise provided in the governing documents. A fine of less than \$1,000 may not become a

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 lien against a parcel. In any action to recover a fine, the prevailing party is entitled to reasonable attorney fees and costs from the nonprevailing party as determined by the court.

- (a) An association may suspend, for a reasonable period of time, the right of a member, or a member's tenant, guest, or invitee, to use common areas and facilities for the failure of the owner of the parcel or its occupant, licensee, or invitee to comply with any provision of the declaration, the association bylaws, or reasonable rules of the association. This paragraph does not apply to that portion of common areas used to provide access or utility services to the parcel. A suspension may not prohibit an owner or tenant of a parcel from having vehicular and pedestrian ingress to and egress from the parcel, including, but not limited to, the right to park.
- (b) A fine or suspension levied by the board of administration may not be imposed unless the board first provides at least 14 days' notice to the parcel owner and, if applicable, any occupant, licensee, or invitee of the parcel owner, sought to be fined or suspended and an opportunity for a hearing before a committee of at least three members appointed by the board who are not officers, directors, or employees of the association, or the spouse, parent, child, brother, or sister of an officer, director, or employee. If the committee, by majority vote, does not approve a proposed fine or suspension, the proposed fine or suspension may not be imposed.

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The role of the committee is limited to determining whether to confirm or reject the fine or suspension levied by the board. If the proposed fine or suspension levied by the board is approved by the committee, the fine payment is due 5 days after notice of the approved fine is provided to the parcel owner and, if applicable, to any occupant, licensee, or invitee of the parcel owner the date of the committee meeting at which the fine is approved. The association must provide written notice of such fine or suspension by mail or hand delivery to the parcel owner and, if applicable, to any occupant tenant, licensee, or invitee of the parcel owner.

Section 23. Paragraph (g) of subsection (1) and paragraph (c) of subsection (9) of section 720.306, Florida Statutes, are amended, and paragraph (h) is added to subsection (1) of that section, to read:

720.306 Meetings of members; voting and election procedures; amendments.—

- (1) QUORUM; AMENDMENTS.—
- (g) A notice required under this section must be mailed or delivered to the address identified as the parcel owner's mailing address in the official records of the association as required under s. 720.303(4) on the property appraiser's website for the county in which the parcel is located, or electronically transmitted in a manner authorized by the association if the parcel owner has consented, in writing, to receive notice by

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391 electronic transmission.

- (h)1. Except as provided herein, an amendment to a governing document, rule, or regulation enacted after July 1, 2021, which prohibits a parcel owner from renting his or her parcel, alters the authorized duration of a rental term, or specifies or limits the number of times that a parcel owner may rent his or her parcel during a specified period, applies only to a parcel owner who consents, individually or through a representative, to the amendment, and to parcel owners who acquire title to a parcel after the effective date of the amendment.
- 2. Notwithstanding subparagraph 1., an association may amend its governing documents to prohibit or regulate rental durations that are for terms of less than 6 months and to prohibit a parcel owner from renting his or parcel more than three times in a calendar year. Such amendments apply to all parcel owners.
- 3. This paragraph does not affect the enforcement restrictions for associations of 15 or fewer parcel owners as provided in s. 720.303(1).
- 4. For purposes of this paragraph, a change of ownership does not occur when a parcel owner conveys the parcel to an affiliated entity, when beneficial ownership of the parcel does not change, or when an heir becomes the parcel owner. For purposes of this paragraph, the term "affiliated entity" means

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an entity that controls, is controlled by, or is under common control with the parcel owner or that becomes a parent or successor entity by reason of transfer, merger, consolidation, public offering, reorganization, dissolution or sale of stock, or transfer of membership partnership interests. For a conveyance to be recognized as one made to an affiliated entity, the entity must furnish the association a document certifying that this paragraph applies, as well as providing any organizational documents for the parcel owner and the affiliated entity that support the representations in the certificate, as requested by the association.

- (9) ELECTIONS AND BOARD VACANCIES.-
- (c) Any election dispute between a member and an association must be submitted to mandatory binding arbitration with the division or filed with a court of competent jurisdiction. Such proceedings that are submitted to binding arbitration with the division must be conducted in the manner provided by s. 718.1255 and the procedural rules adopted by the division. Unless otherwise provided in the bylaws, any vacancy occurring on the board before the expiration of a term may be filled by an affirmative vote of the majority of the remaining directors, even if the remaining directors constitute less than a quorum, or by the sole remaining director. In the alternative, a board may hold an election to fill the vacancy, in which case the election procedures must conform to the requirements of the

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441	governing documents. Unless otherwise provided in the bylaws, a
442	board member appointed or elected under this section is
443	appointed for the unexpired term of the seat being filled.
444	Filling vacancies created by recall is governed by s.

720.303(10) and rules adopted by the division.

Section 24. Paragraph (a) of subsection (1) and subsection (2) of section 720.307, Florida Statutes, are amended to read:

720.307 Transition of association control in a community.— With respect to homeowners' associations:

- (1) Members other than the developer are entitled to elect at least a majority of the members of the board of directors of the homeowners' association when the earlier of the following events occurs:
- (a) Three months after 90 percent of the parcels in all phases of the community that will ultimately be operated by the homeowners' association have been conveyed to members other than the developer;

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For purposes of this section, the term "members other than the developer" shall not include builders, contractors, or others who purchase a parcel for the purpose of constructing improvements thereon for resale.

(2) Members other than the developer are entitled to elect at least one member of the board of directors of the homeowners' association if 50 percent of the parcels in all phases of the

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community which will ultimately be operated by the association have been conveyed to members other than the developer.

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TITLE AMENDMENT

Remove lines 78-91 and insert:

an association; revising the types of records that are not accessible to members or parcel owners; revising the circumstances under which a specified statement must be included in an association's financial report; revising requirements for such statement; revising the circumstances under which an association is deemed to have provided for reserve accounts; revising the procedure to challenge a board member recall; amending s. 720.305, F.S.; providing requirements for certain fines levied by a board of administration; amending s. 720.306, F.S.; revising requirements for providing certain notices; providing limitations on associations when a parcel owner attempts to rent or lease his or her parcel; defining the term "affiliated entity"; revising the procedure for election disputes; amending s. 720.307, F.S.; revising the circumstances under which members other than the developer are entitled to elect members to the board of directors of the homeowners' association; amending s. 720.311,

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